

Required Reviews of Income Tax Credits

Document Purpose: Below is a list of the corporate and individual income tax credits that the Revenue and Taxation Interim Committee is required by Sections 59-7-159 and 59-10-137 to review every three years (see overview of review requirements below). This document is intended to facilitate a review of the 17 credits up for review during the 2017 Interim and, for convenience, lists the credits that are up for review in subsequent years.

Review Requirements: The committee is required to allow time on a committee agenda to review the income tax credits subject to review in that year. The committee must also invite interested parties to provide testimony about the credits. For certain credits, the Governor's Office of Economic Development and the Office of the Legislative Fiscal Analyst are required to make a report. As part of the review, the committee should evaluate (1) the cost of the tax credit to the state, (2) the purpose and effectiveness of the tax credit, and (3) the extent to which the state benefits from the tax credit. Finally, the committee is asked to make a recommendation on whether each tax credit should be continued, modified, or repealed.

Note : Each credit lists the number of credits claimed above the total amount (\$) claimed for 2012-2015

Credit	2012	2013	2014	2015	
2017 Required Reviews					
1	59-7-601 Interest income from state and federal securities	52 \$915,984	25 \$1,585,313	48 \$558,098	-- --
2	59-7-607 Low-income housing	* \$1,000,000	* \$1,750,000	* \$2,000,000	-- --
3	59-10-1010 Low-income housing	71 \$227,324	49 \$186,250	49 \$116,633	51 \$161,720
4	59-7-612 Qualifying research expenses	148 \$37,539,064	172 \$33,508,738	195 \$39,843,451	-- --
5	59-7-614.1 Purchase of hand tool costing over \$250 to be used in farming operations	* \$1,000	* \$1,000	* \$1,000	-- --
6	59-10-1105 Purchase of hand tool costing over \$250 to be used in farming operations	63 \$11,699	34 \$3,768	47 \$6,095	38 \$4,757
7	59-7-614.5 Production costs of state-approved motion picture production	* \$2,250,000	* \$5,382,395	* \$4,973,056	-- --
8	59-10-1108 Production costs of state-approved motion picture production	* \$800,000	11 \$1,446,602	16 \$997,156	52 \$884,507
9	59-10-1004 Contributions to a nonprofit rehabilitation facility for persons with a disability	119 \$16,221	131 \$18,520	115 \$16,175	148 \$20,590
10	59-10-1015 Live organ donation expenses	41 \$135,486	53 \$139,493	50 \$103,689	58 \$153,122
11	59-10-1025 Investment in life science establishment developing or manufacturing medical products	* \$3,000	15 \$37,000	12 \$59,205	0 \$0
12	59-10-1027 Tax liability of an individual who dies in military service in a combat zone	* --	* --	* --	* --
13	59-10-1031 Employment of recently deployed veteran	33 \$29,754	57 \$101,242	72 \$95,292	93 \$119,409
14	59-10-1032 Employment of person who is homeless	-- --	-- --	-- --	26 \$11,059
15	59-10-1035 Contribution to state Achieving a Better Life Experience Program account (Effective 2016)	-- --	-- --	-- --	-- --
16	59-10-1104 Adoption of child who has a special need	181 \$233,945	184 \$176,847	191 \$188,279	212 \$205,548
17	59-13-202 Gas tax on gas used for nonhighway agricultural uses (corporate and individual)	709 \$168,970	655 \$155,021	646 \$146,317	623 \$141,413

KEY:	* fewer than 10 returns	-- no data available
	Corporate income tax credit	Individual income tax credit

Data source: Utah State Tax Commission

Credit	2012	2013	2014	2015	
2018 Required Reviews					
18	59-7-609 Restoration/preservation costs in connection with a certified historic building	0 \$0	0 \$0	0 \$0	-- --
19	59-10-1006 Restoration/preservation costs in connection with a certified historic building	177 \$1,756,015	181 \$1,918,423	177 \$2,386,971	204 \$3,328,609
20	59-7-614.2 Economic development by a business entity, community reinvestment agency, or local government	29 \$8,842,126	35 \$9,420,238	30 \$10,682,331	-- --
21	59-10-1107 Economic development by a business entity	61 \$107,065	79 \$170,384	113 \$994,323	56 \$105,756
22	59-7-614.10 Business investment in an enterprise zone	30 \$622,410	35 \$735,856	34 \$622,466	-- --
23	59-10-1037 Business investment in an enterprise zone	992 \$12,264,796	1,026 \$12,546,818	1,280 \$13,711,781	1,316 \$15,660,728
24	59-7-617 Employment of person who is homeless (Effective 2015)	-- --	-- --	-- --	-- --
25	59-7-619 Development of high cost infrastructure (Effective 2016)	-- --	-- --	-- --	-- --
26	59-10-1034 Development of high cost infrastructure (Effective 2016)	-- --	-- --	-- --	-- --
27	59-7-620 Contribution to state Achieving A Better Life Experience Program account (Effective 2016)	-- --	-- --	-- --	-- --
28	59-9-107 Investment in small business jobs (Effective 2016; credit for admitted insurers against tax on premiums received)	-- --	-- --	-- --	-- --
29	59-10-1005 Full-time at-home parent	4,567 \$463,300	4,686 \$476,800	4,720 \$480,457	4,627 \$470,800
30	59-10-1012 Qualifying research expenses	1,054 \$10,218,465	1,096 \$10,563,403	1,289 \$13,336,393	1,487 \$18,563,650
31	59-10-1013 Purchase of computer equipment used in basic research	21 \$48,803	16 \$56,320	12 \$25,836	20 \$185,618
32	59-10-1022 Capital gains used to purchase qualifying stock in a Utah small business	128 \$569,091	81 \$145,416	106 \$686,724	116 \$256,185
33	59-10-1023 Cost of health benefit plan	4,289 \$1,296,503	4,610 \$1,282,667	6,084 \$1,558,238	7,829 \$1,930,139
34	59-10-1028 Capital gains on exchange of legal tender	127 \$123,428	105 \$141,005	85 \$70,588	91 \$115,278
36	63N-2-305 Targeted business tax credit for community investment project	* \$250,000	* \$450,000	* \$900,000	-- --
37	63N-2-305 Targeted business tax credit for community investment project	25 \$33,607	12 \$18,632	46 \$15,077	19 \$166,518

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Credit	2012	2013	2014	2015	
2019 Required Reviews					
38	59-7-605 Purchase or lease of energy efficient vehicle (Expired beginning after December 31, 2016)	* \$30,000	* \$600,000	* \$200,000	-- --
39	59-10-1009 Purchase of lease of energy efficient vehicle (Expired beginning after December 31, 2016)	1,002 \$1,637,278	1,190 \$1,905,959	1,300 \$1,968,154	629 \$809,114
40	59-7-610 Machinery and equipment expenses and/or regular business expenses for recycling in a recycling market development zone	* \$900,000	* \$700,000	* \$800,000	-- --
41	59-10-1007 Machinery and equipment expenses and/or regular business expenses for recycling in a recycling market development zone	124 \$375,066	99 \$446,860	128 \$217,774	108 \$216,450
42	59-7-614 Purchase or financing of residential or commercial renewable energy system	0 \$0	0 \$0	0 \$0	-- --
43	59-10-1014 Purchase or financing of residential renewable energy system	423 \$778,113	528 \$997,313	829 \$1,648,615	1,758 \$3,625,051
44	59-10-1106 Financing of commercial renewable energy system	54 \$191,315	65 \$418,502	85 \$513,639	273 \$1,158,623
45	59-7-614.7 State revenue generated by an alternative energy project	0 \$0	0 \$0	0 \$0	-- --
46	59-10-1029 State revenue generated by an alternative energy project	0 \$0	0 \$0	0 \$0	* \$1,000
47	59-7-614.8 State revenue generated by an alternative energy manufacturing project	0 \$0	0 \$0	0 \$0	-- --
48	59-10-1030 State revenue generated by an alternative energy manufacturing project	0 \$0	* \$1,000	11 \$16,041	* \$2,000
49	59-7-618 Purchase of natural gas heavy duty vehicle (Effective 2015)	-- --	-- --	-- --	-- --
50	59-10-1033 Purchase of natural gas heavy duty vehicle	0 \$0	0 \$0	0 \$0	* \$350,000
51	59-10-1017 Contributions to a Utah Educational Savings Plan	12,351 \$2,416,091	13,947 \$2,529,193	15,267 \$2,886,182	16,498 \$3,009,374
52	59-10-1018 Taxpayer credit based on federal deductions and state personal exemptions	1,085,084 \$1,098,816,248	1,103,973 \$986,880,466	1,114,774 \$1,017,095,112	1,171,104 \$1,068,907,103
53	59-10-1019 Retirement income tax credit	88,333 \$44,894,366	88,761 \$45,168,113	89,143 \$45,260,698	91,214 \$46,522,519
54	59-10-1024 Purchase of solar energy units	306 \$454,550	450 \$710,106	820 \$1,486,789	1,978 \$3,706,573
55	59-10-1036 Military survivor benefits for surviving spouse or dependent child (Effective 2017)	-- --	-- --	-- --	-- --
56	59-10-1111 Psychiatrists/mental health practitioner tax credit (Effective 2017)	-- --	-- --	-- --	-- --

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